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Chiang Issues Statement on April Revenues

SACRAMENTO – State Controller John Chiang today issued the following statement on preliminary April revenue receipts:

“Through the end of April, California received an unexpected \$1.4 billion in personal income taxes. As a result, General Fund revenues are \$738 million above the Governor’s January budget estimates.

“While this is very welcome news, these numbers should not lure us into a false sense of security. Sagging retail sales, a weakening real estate market, growing unemployment and rising energy prices all point to an economy facing significant challenges. Importantly, the additional tax revenues received last month reflect the 2007 economy. Next year’s revenues will reflect this current year’s economic climate.

“The State’s cash position should provide enough of a cushion to get us through the remainder of the current fiscal year. However, to avoid a cash crisis this summer, California needs a timely budget based on sound revenue projections and containing real deficit-reducing solutions.”

The Controller will release a detailed summary of April’s cash receipts and disbursements later this week.

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